

Your Flexible Spending Account (FSA)

SAVING MONEY THROUGH TAX ADVANTAGES



A plan for life.

Taking Advantage of Your FSA

Your employer has chosen to offer a flexible spending account (FSA), which allows you to put money aside from your paycheck, on a pre-tax basis, to be spent on your health and/or dependent care expenses.

Signing up for your FSA

To take advantage of this opportunity to save on taxes, please complete the *Annual Election of Benefits Form* and return to your employer. If you did not receive this form, ask your employer or go to www.cdphp.com to get one.

Who pays for my FSA?

The FSA will be funded from your own income. You can choose how much money to deduct from each paycheck to use for eligible expenses.

The two types of FSA

There are two types of FSA. Both are available for you to establish.

Health FSA—Allows reimbursement of qualifying out-of-pocket medical expenses. You will receive a debit card that you can use to pay for qualified services and items. The full amount of your year's deductions will be available for medical expenses as soon as the plan begins.

Your employer may offer a general purpose FSA, which can be used for any eligible health expense, or a limited purpose FSA, which can be used for specified expenses, including medical (covered and non-covered), dental, vision, prescription, or any combination of these options. Check with your employer to determine which services and/or items are reimbursable.

Dependent Care FSA—Allows reimbursement of your costs for dependent care services, such as daycare and babysitters, that enable you to work. To qualify, you and your spouse (if applicable) must be employed, or your spouse must be a full-time student. You will not receive a debit card to use toward these expenses. You will need to pay for them out of pocket, then file a claim to recoup payment after the services have been provided. Unlike the health FSA, you will need to have the funds saved up in your account before you can use them.

How the savings add up

These figures are for comparison only.

	Without FSA	With FSA
Monthly gross salary	\$3,000	\$3,000
Contributions:		
Medical	0	\$200
Dental	0	\$20
Other Health Care Expenses	0	\$80
FSA Dependent Care	0	\$800
Taxable Pay	\$3,000	\$1,900
Fed/state/FICA	\$630	\$400
After Tax Income	\$2,370	\$1,500
Contributions:		
Medical	\$200	0
Dental	\$20	0
Other Health Care Expenses	\$80	0
Dependent Care	\$800	0
Spendable Income	\$1,270	\$1,500

Annual increase in take home pay: \$2,760!



FSA Planning Worksheet

Plan ahead and be sure not to have more deducted than you will use on qualified expenses.

The worksheet below is for your personal use only and is meant to help you plan for the year.

Health Care	Self	Other Family Members
Anticipated Medical Expenses		
Copayments	\$	\$
Deductibles	\$	\$
Prescription Costs	\$	\$
Other	\$	\$
Anticipated Dental Expenses		
Copayments	\$	\$
Deductibles	\$	\$
Orthodontia	\$	\$
Crowns, Fillings, Prosthodontics	\$	\$
Anticipated Vision Expenses		
Copayments	\$	\$
Deductibles	\$	\$
Eye Exams	\$	\$
Contact Lenses	\$	\$
Prescription Eyewear	\$	\$
Other Anticipated Expenses		
Insulin	\$	\$
Medical Supplies (<i>excluding drugs or medicine, unless you have a prescription</i>)	\$	\$
Medical Equipment	\$	\$
Estimated Annual Medical Care Expenses	\$	\$
Total Estimated Annual Medical Care Expenses	\$	
Dependent Care		
Babysitting Expenses*	\$	
After-School Programs*	\$	
Day Camp*	\$	
Nursery School*	\$	
Elder Care*	\$	
Total Estimated Annual Dependent Care Expenses	\$	

* Costs incurred to enable you to work.

Note: Once you decide how much to have deducted from your paychecks, you cannot change that amount during the year, except during a qualifying event (e.g., change in marital status or number of dependents). Eligible expenses must be considered tax-deductible by the Internal Revenue Service.



Frequently Asked Questions

How can I access funds from my FSA?

Using your debit card

To make it easy to pay for eligible medical expenses, you may receive a debit card. Use it only for items that are allowed. Depending on the type of FSA your employer offers, you may use it for IRS-defined qualified expenses, dental expenses, vision expenses, and/or prescription expenses. Always save your receipts and health plan Explanations of Benefits (EOBs) in the event substantiation is required for your expenses.

You have the option to obtain a personal identification number (PIN) for your debit card. For additional information, visit the “Members” section of www.cdphp.com, and select “Flexible Spending Account (FSA)” from the “Health Plans” tab.

Filing a claim

For dependent care expenses and medical costs that you paid for out-of-pocket, you will be able to submit claims by:

- ▶ Logging in to member.cdphp.com and submitting your claims online
- ▶ Filling out a claim form (available at www.cdphp.com or by calling the health funding department at 1-877-793-3960) and sending it to: CDPHP Health Funding, P.O. Box 6130, Albany, NY 12206-0130

All fields are required in order to process payment. You can expect your claim to be processed within 7-10 business days from when CDPHP receives the claim.

Track your account online and submit claims by logging in to member.cdphp.com.

How do I substantiate debit card purchases?

Federal regulations require CDPHP to obtain itemized receipts for transactions that are not automatically substantiated at the point-of-sale. In the event a charge does not meet the necessary criteria, CDPHP will send a request for documentation.

To substantiate your debit card transactions, log in to member.cdphp.com and click “Claims & Spending” at the top of the page. Select “Substantiate a Debit Card Payment” from the dropdown. Be sure to have your receipts available to upload. Substantiation documents must include: date of service, provider’s name and address, description of service, subscriber’s signature, and requested reimbursement amount. Please allow approximately 7 – 10 business days from the day CDPHP receives the documentation for your transaction to be processed.

If you are unable to substantiate questionable debit card expenses, a hold will be placed on the card. The debit card will be reactivated as soon as the necessary documentation has been received to substantiate the expense.

How can I track my account?

Log in at member.cdphp.com to easily manage your FSA:

- ▶ Check your account balance
- ▶ Review claim history
- ▶ Submit online claims
- ▶ Request additional debit cards
- ▶ Set up direct deposit
- ▶ Set up recurring expenses
- ▶ Substantiate debit card transactions

I have single coverage. Can I use my FSA to pay for items for other family members?

Yes, you may use your Health FSA dollars to purchase eligible items and services for family members who are considered dependents according to IRS rules. They do not need to be covered by your insurance plan.

Can I change my FSA election mid-year?

Certain qualifying events allow an employee to change an election or begin/cease participation in a plan. Common qualifying events can include marriage, divorce, birth, death, or a change in the cost of a dependent care provider.

What happens to any funds left in my FSA that I do not use by the end of the plan year?

Health FSA: Depending on your employer's plan design, your plan may allow you to carry over up to \$500 into the next plan year, or your plan may include a grace period that extends your current plan year by 77 days. Your employer also has the option to not allow either. In this case, you would forfeit any unused funds at the end of the year.

Dependent Care FSA: Depending on your employer's plan design, your plan may include a grace period that extends your plan year by 77 days. Any eligible dependent care expenses accrued during this grace period can be reimbursed with funds remaining in the FSA from the prior plan year. Funds not used by the end of the plan year (after the run-out period) will be forfeited.

If my employer offers a grace period on my Health FSA, how do I determine if I was reimbursed from this year's FSA account or from my previous year's FSA account?

Your FSA payment voucher will indicate the amount was paid from the previous year.

What if I leave my place of employment?

If you separate from your employer, you may submit claims only for eligible expenses incurred through the last day of employment. Expenses incurred after this date are not eligible for reimbursement.

The information found in this brochure is not intended to provide legal or tax advice. Consult with your own attorney and tax advisor for guidance.

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insights.cdphp.com/join 

Get fitness tips, wellness ideas,
and more! Follow us on social
and visit blog.cdphp.com.



A plan for life.

Discrimination is Against the Law

Capital District Physicians' Health Plan, Inc. (CDPHP®) complies with applicable federal civil rights laws and does not discriminate on the basis of race, color, national origin, age, disability, or sex.

Multi-language Interpreter Services

ATENCIÓN: Si habla otro idioma que no es el inglés, tiene a su disposición servicios gratuitos de asistencia lingüística. Llame al número que figura en su tarjeta de identificación de miembro (TTY: 711).

注意：如果您使用的語言不是英語，您可以免費獲得語言援助服務。請致電您會員ID卡上的電話（聽力障礙電傳：711）。

Visit www.cdphp.com/consumer-directed-health to learn more about using your FSA.

Capital District Physicians' Health Plan, Inc.
Capital District Physicians' Healthcare Network, Inc.
CDPHP Universal Benefits,® Inc.

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